

Hearing Date and Time: July 20, 2011 at 10:00 a.m. (Prevailing Eastern Time)
Objection Date and Time: July 15, 2011 at 12:00 p.m. (Prevailing Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: :
: Chapter 11
LEHMAN BROTHERS HOLDINGS INC., *et al.*, :
: Case No. 08-13555 (JMP)
Debtors. :
: Jointly Administered
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**RESPONSE OF DANSKE BANK A/S, LONDON BRANCH TO
DEBTORS' MOTION FOR (i) APPROVAL OF STIPULATION AND ORDER
REGARDING CHAPTER 11 PLANS AND (ii) STAY OF RELATED DISCOVERY**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

Danske Bank A/S, London Branch ("Danske") hereby submits this response (the "Response") to the motion, dated July 6, 2011, of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for (i) approval of stipulation and order regarding chapter 11 plans and (ii) stay of related discovery [Docket No. 18306] (the "Motion"), and respectfully states as follows:¹

¹ Unless otherwise indicated, capitalized terms used by not defined herein shall have the meanings ascribed to them in the Motion.

BACKGROUND

1. On April 14, 2011, the Court entered an Order Establishing Schedule and Procedures in Connection with Discovery Related to Plan Confirmation and Other Issues [Docket No. 16003] (the “Discovery Protocol Order”). The Discovery Protocol Order governs “any and all discovery by any Debtor, committee, the United States Trustee . . . , creditor, party in interest, or group of creditors or parties in interest in connection with Plan Issues”² and sets forth detailed procedures for conducting and coordinating such discovery. Discovery Protocol Order, ¶ 1.

2. After negotiations with various large creditors of the Debtors respecting competing proposed plans filed in these cases, on July 1, 2011, the Debtors filed their proposed second amended joint chapter 11 plan (the “Debtors’ Plan”) and related disclosure statement (the “Debtors’ Disclosure Statement”).

3. On July 6, 2011, the Debtors filed the Motion seeking approval of a Stipulation entered into by certain parties in interest that executed plan support agreements. Under the Stipulation, the parties thereto have agreed, among other things, to hold in abeyance and not prosecute proposed alternative reorganization plans and stay any discovery pursuant to the Discovery Protocol Order. Motion, ¶¶ 10, 13.

4. The proposed order annexed to the Motion provides that “implementation of the Discovery Protocol Order and all proceedings thereunder are stayed pending further order of the Court.” Motion, Exhibit B (Proposed Order) at 2.

² The Discovery Protocol Order defines “Plan Issues” as “contested issues of fact and law” arising out of any reorganization plan filed in these cases. Discovery Protocol Order at 1.

5. Danske holds one of the largest claims against Lehman Commercial Paper Inc. (“LCPI”), one of the Debtors, and is one of the few (if any other) large LCPI creditors with its primary claim against LCPI and not the estate of other Debtors. Danske was not a participant in the plan negotiations. Danske is not a party to the Stipulation, nor did it execute a plan support agreement.

RESPONSE

6. Danske does not object to the relief sought in Debtors’ Motion. However, Danske seeks clarification that the Motion does not seek to prevent or preclude any party that is not a party to the Stipulation (“Non-Stipulating Parties”) from conducting discovery relating to the Debtors’ Plan and Disclosure Statement.

7. Based on Danske’s review of the Debtors’ Plan and Disclosure Statement, Danske believes there may be significant issues with respect to the treatment of creditors of LCPI and/or settlements reached in connection with the Debtors’ Plan. Therefore, Danske intends to conduct discovery relating to the Debtors’ Plan and Disclosure Statement to obtain further information concerning these issues.³ Danske already has reached out to Debtors’ counsel to discuss its issues respecting the Debtors’ Plan, and will continue to seek a consensual resolution.

8. Under the Discovery Protocol Order, discovery requests arising from the filing of the Debtors’ Plan would be due on July 15, 2011. Based on conversations with Debtors’ counsel, Danske understands that such deadline has been extended until after the hearing on the Motion, and that if the Motion is approved then the Discovery Protocol Order will not apply to Danske’s discovery respecting the Debtors’ Plan.

³ If the Discovery Protocol Order remains effective, Danske intends to file a Notice of Intent to become a Participant (as defined in the Discovery Protocol Order). Discovery Protocol Order, ¶ 2(d).

9. Accordingly, to avoid any prejudice by the Motion and the Proposed Order, Danske requests clarification on the record and/or in the Proposed Order that Non-Stipulating Parties are free to conduct discovery relating to the Debtors' Plan and Disclosure Statement in accordance with (1) the prevailing applicable law—*i.e.*, the Bankruptcy Code, the Federal Rules of Civil Procedure, the Bankruptcy Rules, and any related local rules; and/or (2) any subsequent order of this Court governing discovery relating to the Debtors' Plan. Danske intends to coordinate with the Debtors to establish a workable discovery process respecting the Debtors' Plan and Disclosure Statement.

Dated: New York, New York
July 15, 2011

Respectfully submitted,

VENABLE LLP

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